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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF APACHE

IN RE THE GENERAL ADJUDICATION OF
ALL RIGHTS TO USE WATER IN THE LITTLE
COLORADO RIVER SYSTEM AND SOURCE

NO. 6417

ORDER TRANSFERRING FUNDS
FOR PAYMENT OF THE
SPECIAL MASTER'S EXPENSES

THIS MATTER COMING before the Court on its own motion to transfer funds from the Office of the Clerk of the Apache County Superior Court to the Administrative Office of the Courts ("AOC") for the purpose of compensating and paying the expenses of the Special Master appointed in this proceeding;

THE COURT FINDS that:

1. The approximate sum of \$77,596.03 is the balance as of June 30, 2002, of the fund of filing fees paid by claimants in this adjudication pursuant to A.R.S. section 45-254(H).
2. This money is on deposit with the Clerk of the Apache County Superior Court.
3. Pursuant to A.R.S. section 45-255(B), the Superior Court shall fix the compensation and expenses of a master who is appointed to report on legal and factual issues in this adjudication.
4. On May 8, 1990, pursuant to A.R.S. section 45-255(A), the Arizona Supreme Court appointed a Special Master for this proceeding and for the Gila River Adjudication. The Special Master began his employment and began incurring expenses on May 1, 1990.
5. In 1995, A.R.S. section 45-255(A) was amended to provide that "The Superior Court Judge assigned to the adjudication may appoint a master or masters under Rule 53 of the Arizona Rules of Civil Procedure to report on legal or factual issues designated under a specific order of

1 reference." This Court entered such an order on August 23, 1990, confirmed that order on March
2 27, 1995, and entered an order of appointment and reference on March 1, 2001.

3 6. The sum of \$279,940.00 has previously been transferred from the Clerk of the Apache
4 County Superior Court to the AOC, which acts as the fiscal agent for the compensation and
5 payment of expenses of the Special Master.

6 7. The AOC has requested a transfer of \$163,300.00 from the funds of filing fees collected
7 in this adjudication and in the Gila River Adjudication, to pay for compensation and expenses of the
8 Special Master incurred in fiscal year 2002 and projected for the first half of fiscal year 2003.

9 8. The expenditure of this money for the compensation and expenses of the Special Master
10 remains appropriate under A.R.S. section 45-255(B).

11 9. Certain expenses are directly related to the Little Colorado River Adjudication. These
12 expenses are the travel expenses of the settlement judge and office expenses paid solely for the
13 benefit of this adjudication. The Court finds that, on an interim basis and in light of this year's
14 amendment of A.R.S. section 45-255(B), payment of these expenses from the fees paid in this
15 adjudication is reasonable. During the fiscal year ending on June 30, 2002, these expenses totaled
16 \$3,692.23, and this amount should be transferred to the AOC.

17 10. The number of statements of claimant filed in the Little Colorado River Adjudication is
18 11,386. The number of statements of claimant filed in the Gila River Adjudication is 80,650. The
19 number of statements of claimant filed in the Little Colorado River Adjudication is approximately 12
20 percent of the total number of statements of claimant filed in both proceedings (92,036). The Court
21 finds that, on an interim basis, allocation of the compensation and expenses of the Special Master
22 based on the proportion of claims filed in both adjudications is reasonable. The sum of \$19,549.15,
23 which is owed for common expenses incurred in fiscal year 2002, should be transferred to the

1 AOC. The sum of \$12,400.00, which is approximately 12 percent of the expenses projected for
2 the first half of fiscal year 2003, should be transferred to the AOC.

3 11. Final determination of the basis for allocating the Master's compensation and expenses
4 between the two adjudications, however, should be made at a later date.

5 12. The transfer of \$35,600.00 to the AOC is timely and in accordance with law.

6 13. The Clerk has access to \$25,600.00 at this time and the remainder of \$10,000.00 will
7 be available in December 2002.

8 IT IS ORDERED:

9 1. The Clerk of the Apache County Superior Court shall immediately transfer the sum of
10 **\$25,600.00** from the account maintained for the filing fees in this proceeding. Prior to December
11 31, 2002, the Clerk shall transfer an additional **\$10,000.00**. Both checks shall be sent to the
12 Administrative Office of the Courts, Attn: Ms. Candy Frazier.

13 2. The AOC shall establish adequate and necessary procedures to account for these funds
14 and to ensure that the funds are used only for the compensation and expenses of the Special Master
15 as fixed by this Court.

16 3. This transfer is not a final determination of the question of what proportion of the Special
17 Master's compensation and expenses should be paid from the filing fees collected in this
18 adjudication. The Court specifically reserves final determination of the basis for allocating the
19 Master's compensation and expenses between the two adjudications.

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DATED this 28th day of August 2002.

/s/Eddward P. Ballinger, Jr.

The Honorable Eddward P. Ballinger, Jr.
Judge of the Superior Court

The original of the foregoing filed with the Superior Court Clerk of Apache County.

Copies sent to those parties who appear on the Court-approved mailing list for CV-6417 dated July 16, 2002.
